

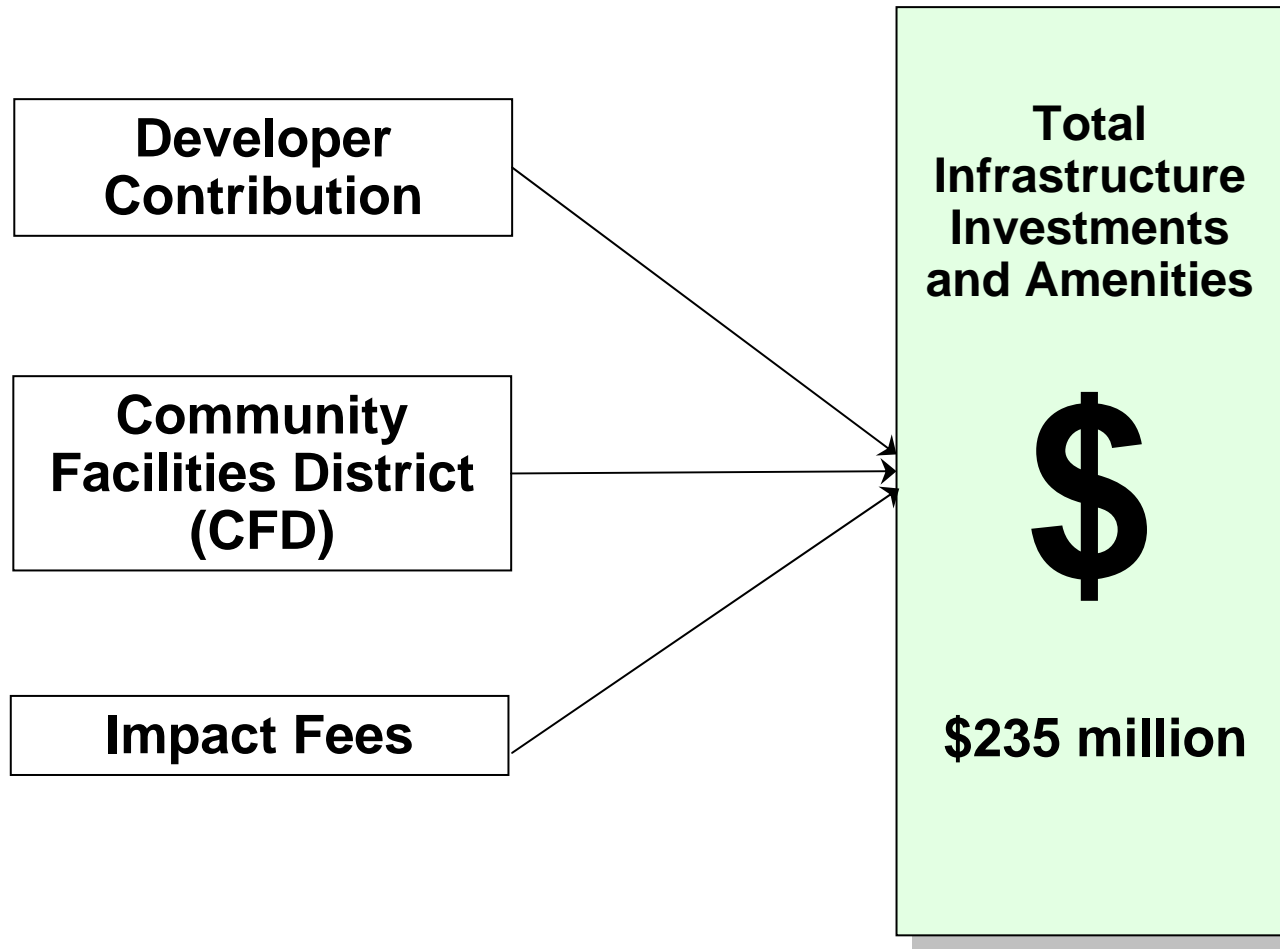


Evergreen ♦ East Hills Vision Strategy Trade-off Analysis

January 18, 2006

Prepared by MuniFinancial

Available Local Funding Sources

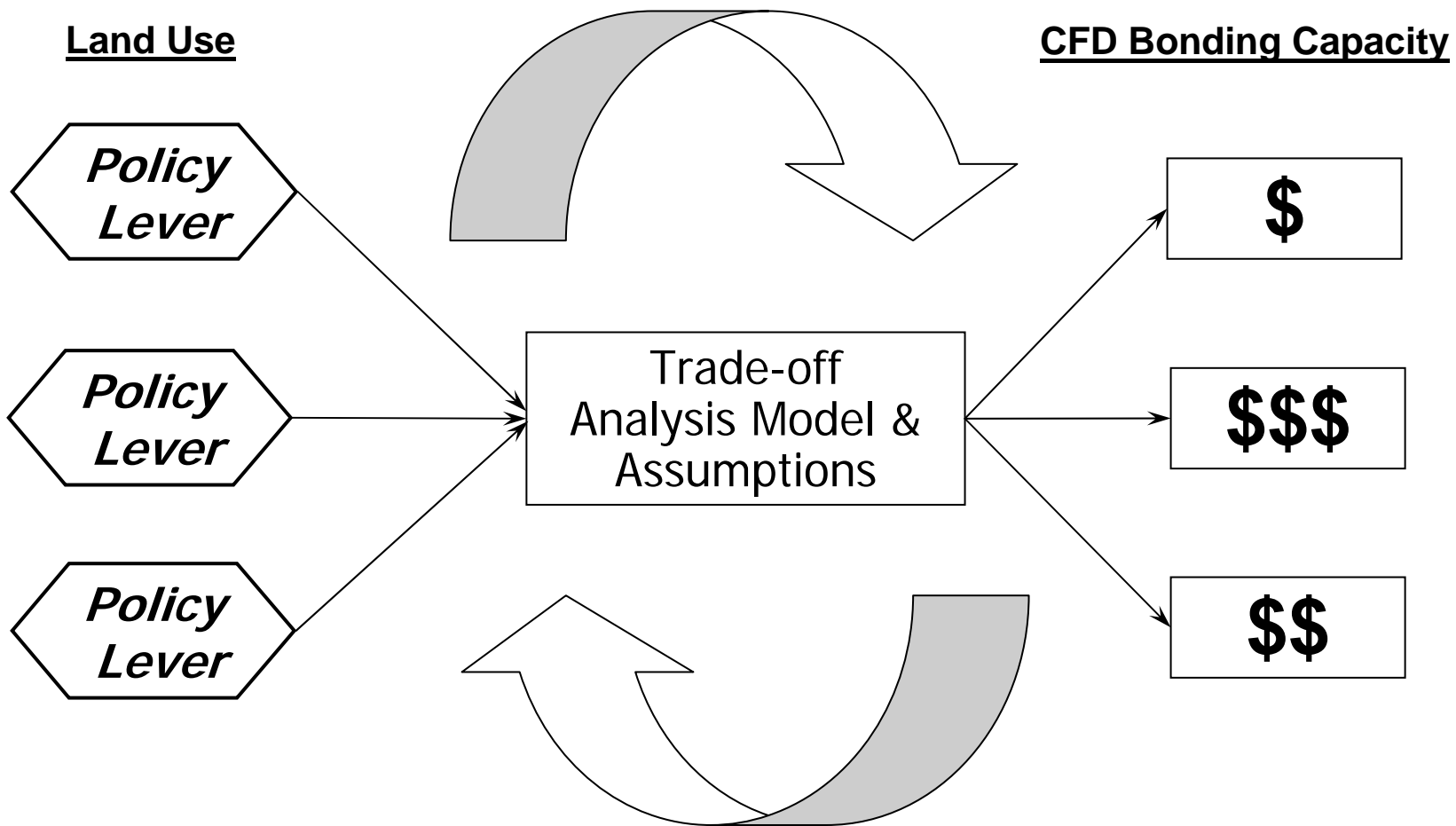


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Trade-off Analysis for CFD Funding

- ▶ City Council requested an evaluation of land use policy options on the ability to pay for improvements and amenities.
- ▶ Sensitivity analysis, not a feasibility analysis.
- ▶ Policy Levers
 - Total residential development and densities
 - 3,600 to 5,700 units
 - 300,000 to 500,000 square feet of retail development
 - Industrial land retention
 - 0, 50, 120, or 320 acres
 - Affordable housing
 - 20 percent on all sites
 - 20 percent on Industrial sites and Arcadia
 - 20 percent on Arcadia only (existing requirement)

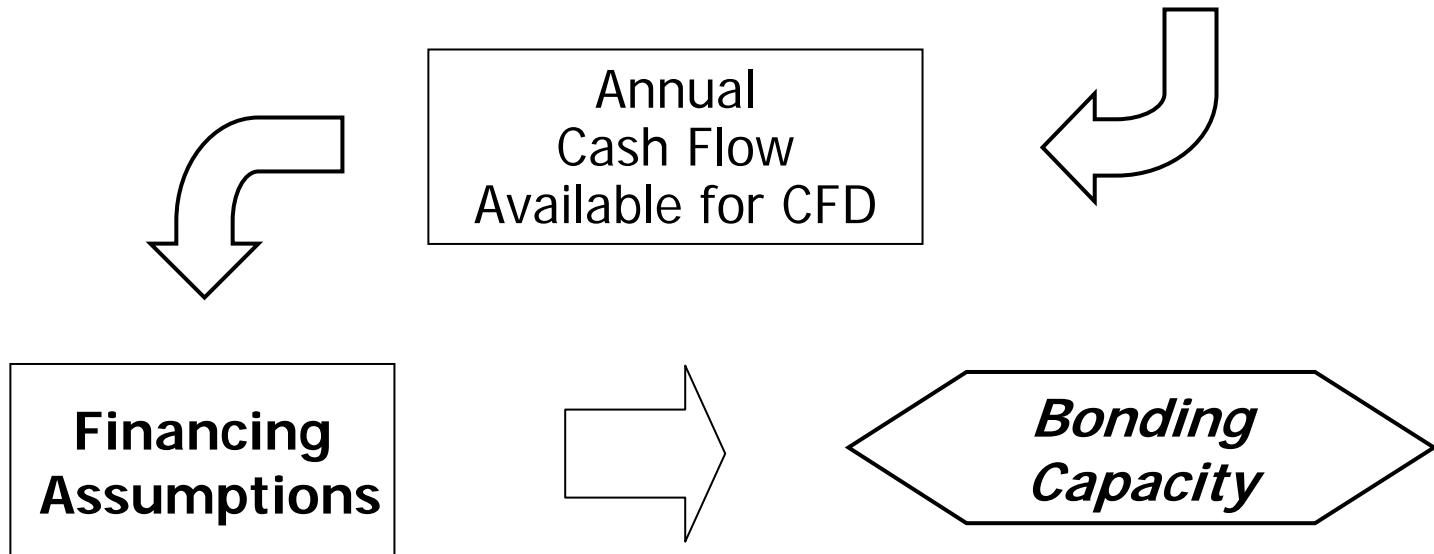
Trade-off Analysis



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CFD Bonding Capacity

$$\left(\text{Home Value} \times \frac{\left[\text{Effective Tax Rate} - \text{Existing Tax Rate} \right]}{\text{Available Tax Rate}} \right) \times \text{Total Evergreen Units}$$



Home Value Assumptions

Residential Product Type	Home Value Estimate
Large Lot Single Family	\$ 1,050,000
Small Lot Single Family	760,000
Townhome	580,000
Multi-family (for sale)	480,000
Affordable (for sale)	408,000
Multi-family (rental)	135,000
EVCC Affordable	100,000

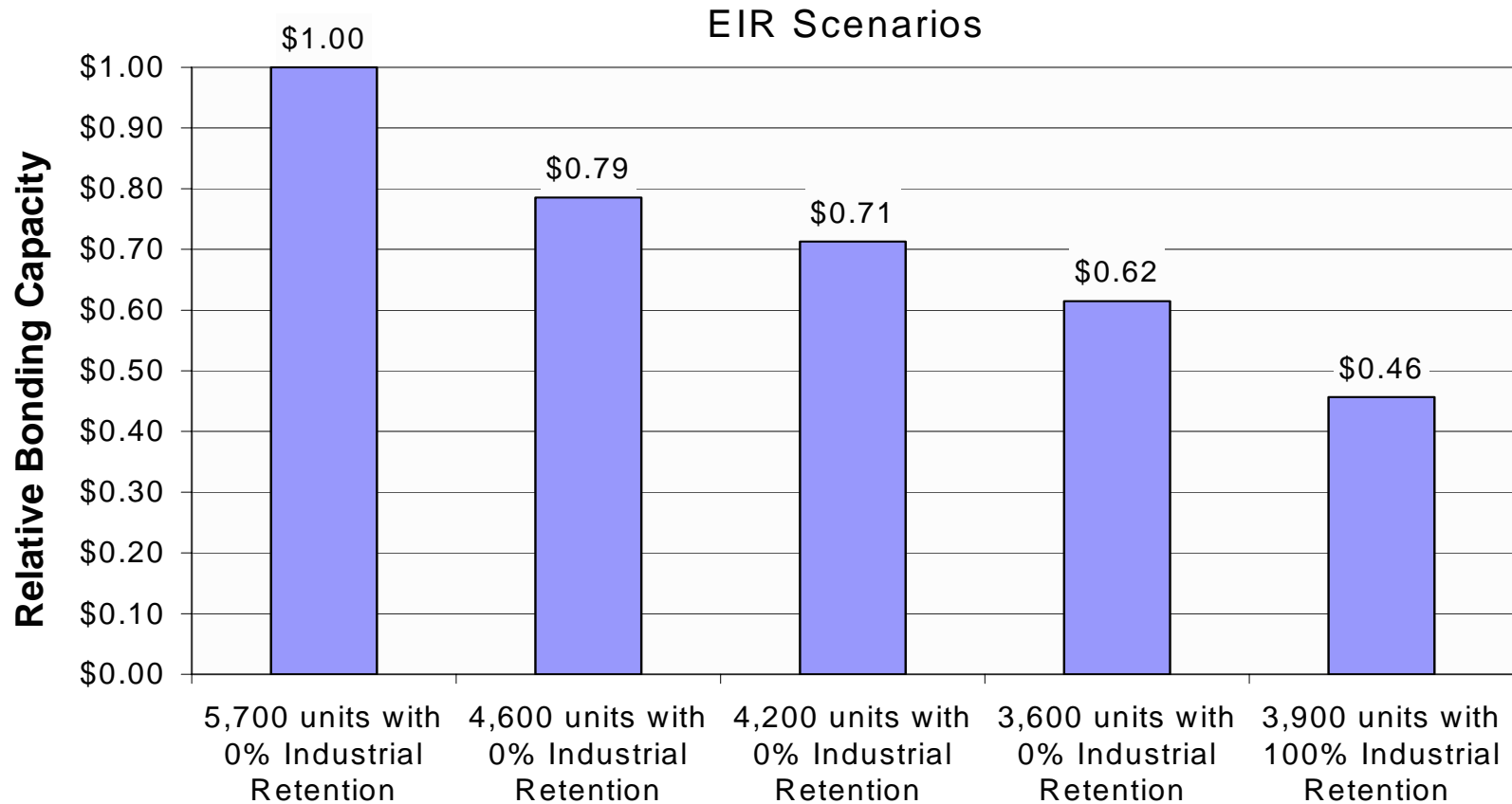
Note: Value estimated by MuniFinancial and shall be updated upon completion of appraisal for actual District formation.

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Special Tax and Financing Assumptions

- ▶ Effective tax rate – 1.75 percent
- ▶ Existing tax rate – 1.32 percent
- ▶ Interest rate – 7.00 percent
- ▶ Bond term – 30 years

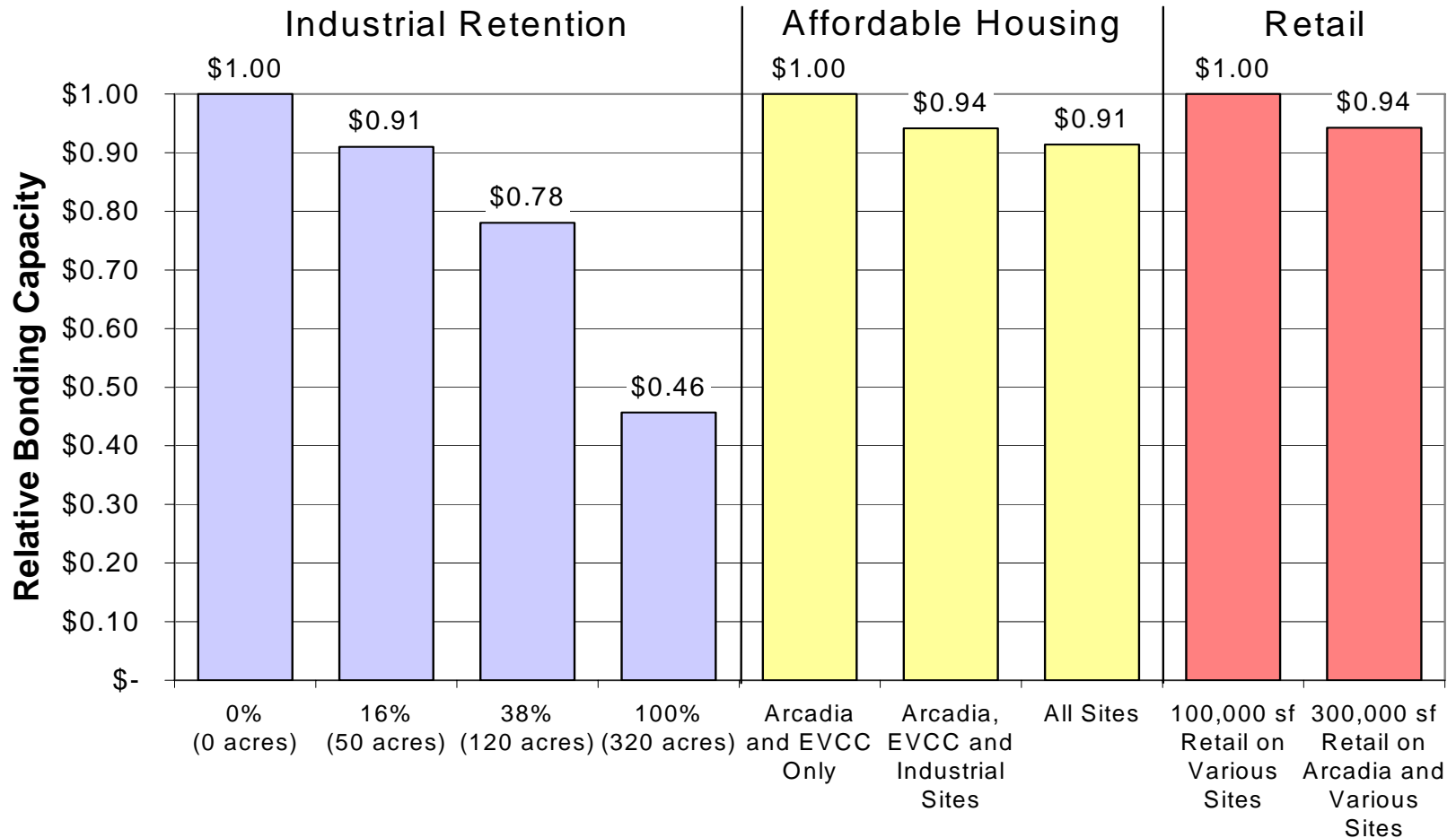
Effect of Number of Residential Units



Note: All examples relative to EIR Scenario V (5,700 units, 0% industrial retention, affordable housing on Arcadia and EVCC only, and 100,000 sf of retail on various sites).

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Effect of Other Policy Levers



Note: All examples relative to and based on EIR Scenario V (5,700 units, 0% industrial retention, affordable housing on Arcadia and EVCC only, and 100,000 sf of retail on various sites).

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Results Detail

Results Detail						Units by Opportunity Site						
Description	Relative Bond Capacity ¹	Industrial Retention	Affordable Housing ²	Retail	Total Units ³	Berg	IDS	Legacy	Pleasant Hills	Arcadia	EVCC	Other
<u>EIR Scenarios</u>												
V - High Density	\$1.00	0%	10%	No	5,700	1,050	225	675	825	1,875	500	550
IV - Medium Density	\$0.79	0%	11%	No	4,600	620	135	395	660	2,025	330	435
III - Low Density	\$0.71	0%	11%	No	4,200	565	120	365	600	1,850	300	400
II - Very Low Density	\$0.62	0%	11%	No	3,600	510	110	330	540	1,500	275	335
VI - High Density	\$0.46	100%	15%	No	3,900	-	-	-	825	1,875	500	700
<u>Industrial Retention - EIR Scenario High V</u>												
0% Industrial Retention (0 acres)	\$1.00	0%	10%	No	5,700	1,050	225	675	825	1,875	500	550
16% Industrial Retention (50 acres)	\$0.91	16%	11%	No	5,400	885	190	575	825	1,875	500	550
38% Industrial Retention (120 acres)	\$0.78	38%	12%	No	4,970	655	140	425	825	1,875	500	550
100% Industrial Retention (320 acres)	\$0.46	100%	15%	No	3,900	-	-	-	825	1,875	500	700
<u>Affordable Housing - EIR Scenario High V</u>												
Arcadia and EVCC	\$1.00	0%	10%	No	5,700	1,050	225	675	825	1,875	500	550
Arcadia, EVCC and Industrial Sites	\$0.94	0%	17%	No	5,700	1,050	225	675	825	1,875	500	550
All Sites	\$0.91	0%	20%	No	5,700	1,050	225	675	825	1,875	500	550
<u>Commercial Development</u>												
100,000 sf Retail on Various Sites	\$1.00	0%	10%	No	5,700	1,050	225	675	825	1,875	500	550
300,000 sf Retail on Arcadia and Various Site	\$0.94	0%	11%	Yes	5,095	1,050	225	675	825	1,270	500	550
<u>Effective Tax Rate - EIR Scenario High V</u>												
2.00 Percent	\$1.58	0%	10%	No	5,700	1,050	225	675	825	1,875	500	550
1.75 Percent	\$1.00	0%	10%	No	5,700	1,050	225	675	825	1,875	500	550
1.50 Percent ³	\$0.43	0%	0%	No	4,210	1,050	225	675	825	885	-	550

¹ All examples relative to EIR Scenario V (5,700 units, 0% industrial retention, affordable housing on Arcadia and EVCC only, and 100,000 sf of retail on various sites). "Other" units not included in bonding capacity.

² Each scenario assumes affordable housing at a minimum of 20% on Arcadia and 40% at EVCC.

³ Rental and affordable units not included because the current effective tax rate exceeds 1.5 percent.

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Conclusions

- ▶ Number of residential units and industrial retention create the greatest impact on bonding capacity.
- ▶ Affordable housing and retail development create little impact on bonding capacity.
- ▶ Purpose of Trade-off Analysis is to measure sensitivity not feasibility.

Questions and Answers



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